



Billing Code 3290-F6

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

**Request for Comments and Notice of Public Hearing Concerning Policy Recommendations
on the Global Steel Industry Situation and Impact on U.S. Steel Industry and Market**

AGENCY: Office of the United States Trade Representative

ACTION: Request for Comments; Notice of Hearing.

SUMMARY: The Office of the United States Trade Representative (USTR), jointly with the U.S. Department of Commerce (Commerce) and with the participation of other U.S. Government agencies, will seek public comment and convene a public hearing on the global steel industry situation and its impact on the U.S. steel industry and market.

DATES: Written comments are due by 11:59 pm, March 29, 2016. Persons wishing to testify orally at the hearing must provide written notification of their intention, as well as a summary of their testimony, by 11:59 pm, March 29, 2016. The hearing will be held on April 12, 2016, beginning at 9:30 am in the Main Hearing Room, 500 E Street, SW, Washington, DC 20436, in the facilities of the U.S. International Trade Commission.

ADDRESSES: Written comments and notifications of intent to testify should be submitted electronically via the Internet at www.regulations.gov. If you are unable to provide submissions at www.regulations.gov, please contact Iris Mayfield at (202) 395-5656, to arrange for an alternative method of transmission.

FOR FURTHER INFORMATION CONTACT: For procedural questions concerning written comments, please contact Iris Mayfield at (202) 395-5656. All other questions regarding this notice should be directed to Fred Fischer, Director for Industry Affairs, at (202) 395-6114.

SUPPLEMENTARY INFORMATION:

1. Background

The Organization for Economic Cooperation and Development (OECD) Steel Committee has recently noted mounting challenges in the global steel sector. According to the OECD Secretariat, global crude steelmaking capacity more than doubled from 2000 to 2014, with global capacity growth led by an unprecedented expansion in capacity by China. Global steelmaking capacity is projected by the OECD to grow even further in the 2015 to 2017 period, to 2,323 million metric tons (MMT), approximately 700 MMT in excess of global steel demand in 2015.

At the same time, global demand for steel is weakening. In October 2015, the World Steel Association (worldsteel), the global steel producers' industry association, lowered its forecasts for world steel demand, estimating that demand decreased by 1.7 percent in 2015. Global production also decreased by 2.8 percent in 2015 over 2014 levels. Despite significant production and demand decreases, world steel exports have increased by more than 4 percent between January-July 2015 relative to the same period in 2014, according to the OECD.

Changes in the economy in China, the world's largest consumer, producer and exporter of steel, are having impacts globally. Demand for steel in China is estimated by worldsteel to have contracted by 5 percent in 2015 over 2014 levels, more than previously anticipated, while steel production decreased by only 2.2 percent and exports increased by 26 percent in 2015 over 2014 levels. Steel production by the European Union, India, South Korea and Brazil is also

affecting the global market and entering the United States. Many countries have responded to sharp increases of steel imports from China and other countries by taking a variety of trade remedy measures.

At the 79th meeting of the OECD Steel Committee in December 2015, the United States and the governments of other major steel producing countries noted that “demand weakness coupled with further increases in steelmaking capacity over the next few years – in an environment of already low steel prices, unsustainably weak profitability, and mounting debt – suggests that adjustment pressures are likely to grow significantly in the short to medium term.” The OECD Steel Committee called for immediate action to address the excess capacity challenge and its impact in the steel sector.

The U.S. Government is interested in obtaining stakeholder views on the global steel industry situation and its impact on the U.S. steel industry and market, as well as other U.S. industry sectors that may have concerns about the impact of excess capacity on their particular market. USTR and Commerce note that there are a number of on-going antidumping and countervailing duty investigations and administrative reviews on steel imports in progress. These proceedings are not the subject of this Public Comment and Hearing request. Commenters should note that Commerce will not place the information responsive to this request for public information in the record of its antidumping or countervailing duty proceedings and will not consider such information in its proceedings.

2. Public Comment and Hearing

USTR and Commerce invite written comments and/or oral testimony of interested persons on issues including, but not limited to, the following: (a) status and causes of the excess

capacity situation in the global steel industry, including other factors that impact the global steel market (e.g., contracting markets and softening worldwide demand, weak raw material prices, and government support and policies that encourage capacity expansion as well as exports); (b) countries and policies of concern; (c) status of the U.S. steel market, steel manufacturing supply chain and demand trends; (d) impacts of foreign trade barriers, unfair trade practices, subsidies and other policies on U.S. imports and exports of steel; (e) the current and potential future impact of excess global steelmaking capacity on U.S. steel producing companies, U.S. workers, suppliers to the U.S. steel industry (e.g., iron ore, ferrous scrap, and other raw materials), U.S. steel consuming manufacturers, and States, localities and communities; (f) U.S. steel industry responses and adjustment to the impact of the global market situation on their business and overall competitiveness, including trade remedy and other U.S. enforcement actions, industry cost savings efforts and participation in U.S. export markets; (g) other sectors in which excess capacity impacts their particular industry in the United States and may merit further consideration; and (h) views on whether further enforcement tools or approaches, or legislative action are needed. Written comments must be received no later than 11:59 pm, March 29, 2016.

A hearing will be held on April 12, 2016, in the Main Hearing Room, 500 E Street, SW, Washington, DC 20436, in the facilities of the U.S. International Trade Commission. Persons wishing to testify at the hearing must provide written notification of their intention by 11:59 pm, March 29, 2016. The intent to testify notification must be made in the “Type Comment” field under docket number USTR-2016-0001 on the www.regulations.gov website and should include the name, address and telephone number of the person presenting the testimony. A summary of

the testimony should be attached by using the “Upload File” field. The name of the file should also include who will be presenting the testimony. Remarks at the hearing should be limited to no more than five minutes to allow for possible questions from the government representatives.

3. Requirements for Submissions

Persons submitting a notification of intent to testify and/or written comments must do so in English and must identify (on the first page of the submission) “Global Steel Industry Situation.” In order to be assured of consideration, comments should be submitted by 11:59 pm, March 29, 2016.

In order to ensure the timely receipt and consideration of comments, USTR and Commerce strongly encourage commenters to make on-line submissions, using the www.regulations.gov Website. To submit comments via www.regulations.gov, enter docket number USTR-2016-0001 on the home page and click “search.” The site will provide a search-results page listing all documents associated with this docket. Find a reference to this notice and click on the link entitled “Comment Now!” (For further information on using the www.regulations.gov website, please consult the resources provided on the website by clicking on “How to Use Regulations.gov” on the bottom of the home page).

The www.regulations.gov website allows users to provide comments by filling in a “Type Comment” field, or by attaching a document using an “Upload File” field. Submitters are requested to limit comments to 10 double-spaced pages and to include an executive summary of no more than two double-spaced pages, providing supporting information in appendices. USTR and Commerce prefer that comments be provided in an attached document. If a document is attached, it is sufficient to type “See attached” in the “Type Comment” field. USTR prefers

submissions in Microsoft Word (.doc) or Adobe Acrobat (.pdf). If the submission is in an application other than those two, please indicate the name of the application in the “Type Comment” field.

For any comments submitted electronically containing business confidential information, the file name of the business confidential version should begin with the characters “BC”. The submission must be marked “BUSINESS CONFIDENTIAL” at the top and bottom of the cover page and each succeeding page, and the submission should indicate, via brackets, the specific information that is confidential. Additionally, “Business Confidential” must be included in the “Type Comment” field. For any submission containing business confidential information, a non-confidential version must be submitted separately (i.e., not as part of the same submission with the confidential version), indicating where confidential information has been redacted. The file name of the public version should begin with the character “P”. The “BC” and “P” should be followed by the name of the person or entity submitting the comments or reply comments. Filers submitting comments containing no business confidential information should name their file using the name of the person or entity submitting the comments.

Please do not attach separate cover letters to electronic submissions; rather, include any information that might appear in a cover letter in the comments themselves. Similarly, to the extent possible, please include any exhibits, annexes, or other attachments in the same file as the submission itself, not as separate files.

As noted, USTR and Commerce strongly urge submitters to file comments through www.regulations.gov, if at all possible. Any alternative arrangements must be made with Iris Mayfield in advance of transmitting a comment. Ms. Mayfield should be contacted at (202) 395-

5656. General information concerning USTR is available at www.ustr.gov. General information concerning Commerce is available at www.commerce.gov. Comments will be placed in the docket and open to public inspection, except business confidential information. Comments may be viewed on the www.regulations.gov website by entering the relevant docket number in the search field on the home page.

Jim Sanford

Assistant U.S. Trade Representative for Small Business, Market Access and Industrial Competitiveness

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